

DB

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NEW YORK
TEL: +1 212 259-8000
FAX: +1 212 259-6333

WASHINGTON, D.C.
TEL: +1 202 862-1000
FAX: +1 202 862-1093

LOS ANGELES
TEL: +1 213 626-3399
FAX: +1 213 625-0562

LONDON
TEL: +44 (0)171 456-6000
FAX: +44 (0)171 456-6001

HONG KONG
TEL: +852 2509-7000
FAX: +852 2509-7088

BUDAPEST
TEL: +36 1 374-2660
FAX: +36 1 374-2661

PRAGUE
TEL: +420 2 2494-9005
FAX: +420 2 2494-9010

WARSAW
TEL: +48 22 493-288
FAX: +48 22 498-023

DEWEY BALLANTINE

1 UNDERSHAFT

LONDON EC3A 8LP

TEL 0171 456-6000 FAX 0171 456-6001

From: Camille Abousleiman Tel. No. 0 171 456-6082
Date: March 2, 2000 Total pages, including cover sheet: 5

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Addressee	Fax No.	Tel No.
Mr. Ramy Lakah Lakah Group	00 202 417 6223	00 202 418 9621

Message: *Please see attached.*

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15:56 FROM DEWEY BALLANTINE LDN2 TO 24#002024176223# PA

DEWEY BALLANTINE

MEMORANDUM

TO: Mr. Ramy Lakah
FROM: Camille Abousleiman
DATE: March 2, 2000
RE: Banque du Caire

Please find attached various documents signed by Banque du Caire in connection with the removal of the pledge on the shares of Arab Steel. As you will recall, the amount of U.S.\$35 million was paid to Banque du Caire from the proceeds of the bond offering as consideration for its removal of the pledge.

Please be advised that any attempt by Banque du Caire to reinstate the pledge would constitute a breach of Banque du Caire's commitments made in connection with the issuance of the bonds; in addition it would expose Banque du Caire to serious and credible claims for significant damages on the grounds that it acted fraudulently and in bad faith in obtaining payment of the initial U.S.\$35 million in consideration for the release of the pledge. As a result, Banque du Caire would face claims for the return of the U.S.\$35 million and for the payment of significant additional amounts on account of damages.

We hope that such a course of action is not being envisaged.

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